

HELM

FINANCIAL CORPORATION

One Embarcadero Center • San Francisco, CA 94111

415/398-4510

FAX 415/398-4816

August 7, 1998

Mr. Vernon Williams
Secretary
Surface Transportation Board
1925 K Street, N.W.
Washington, D.C. 20423-0001

RECORDATION NO. 21569

FILED

AUG 10 '98

11-19AM

Dear Mr. Williams:

Enclosed are two (2) originals of the **Memorandum of Locomotive Lease Agreement** dated as of February 26, 1998 which is intended to evidence that certain Locomotive Lease Agreement dated as of February 26, 1998 between the following parties:


Lessor:	Helm Financial Corporation One Embarcadero Center, Suite 3700 San Francisco, CA 94111
Lessee:	Alaska Railroad Corporation 327 West Ship Creek Avenue Anchorage, AK 99501

The equipment involved in this transaction is as follows:

Equipment: Nine (9) locomotives as more fully described in Schedule A to the memorandum.

Please file this memorandum as a primary document and return one (1) stamped original to my attention. A check covering the filing fee of twenty-six dollars (\$26.00) is enclosed.

Sincerely,



Alison Drain
Document Administrator

/ad
Enclosures (2)

AUG 10 20

11-19AM

MEMORANDUM OF
LOCOMOTIVE LEASE AGREEMENT

THIS MEMORANDUM OF LOCOMOTIVE LEASE AGREEMENT ("Memorandum") is dated as of February 26, 1998 and is intended to evidence that certain Locomotive Lease Agreement dated as of February 26, 1998 ("Lease") between HELM FINANCIAL CORPORATION, a California corporation ("Lessor"), and ALASKA RAILROAD CORPORATION, an Alaska corporation ("Lessee"), for the purpose of satisfying the requirements of recordation with the Surface Transportation Board of the Department of Transportation under Section 49 of U.S.C. 11301. Lessor has the right to lease the locomotives, more fully described in Schedule A hereto (the "Units"). Lessee leased from Lessor the Units at the Rent and upon the terms and conditions provided in the Lease.

The Lease and the Units cannot be assigned, subleased or in any way encumbered without the prior written consent of Lessor. Lessee has granted a security interest unto Lessor in and to any and all Payments, as such term is defined in the Lease, including, without limitation, any and all Rent and other Payments pursuant to any sublease of the Units. In the Event of Default, as such term is defined in the Lease, Lessee assigns any and all subleases to Lessor.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be executed by their duly authorized representative as of the day and year first above written.

LESSOR

HELM FINANCIAL CORPORATION

By: 

Print Name: Richard C. Kirchner

Its: President

LESSEE

ALASKA RAILROAD CORPORATION

By: 

Print Name: JOHN KINCAID

Its: CHIEF MECHANICAL OFFICER

SCHEDULE A

TO THE MEMORANDUM OF LEASE

THE UNITS

Equipment Description:

Nine (9), four axle, 3000 horsepower diesel electric GP40-3 locomotives built by EMD in 1967.

Unit Numbers:

HLCX 4400
HLCX 4401
HLCX 4402
HLCX 4404
HLCX 4405
HLCX 4408
HLCX 4411
HLCX 4413
HLCX 4414

48

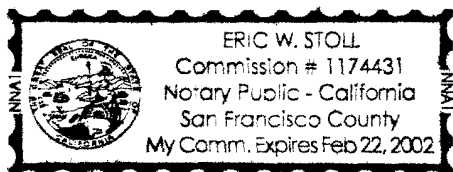
STATE OF CALIFORNIA)
) S.S.
COUNTY OF SAN FRANCISCO)

On May 14th, 1998, before me, Eric W. Stoll, personally
appeared Richard C. Kirchner, President of HELM FINANCIAL CORPORATION,

X personally known to me -OR-

— proved to me on the basis of satisfactory evidence to be the person(s)
whose name(s) is/are subscribed to the within instrument and acknowledged
to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted,
executed the instrument.

Witness my hand and official seal.



Eric W. Stoll
SIGNATURE OF THE NOTARY

[Notarial Seal]

STATE OF Alaska)
) S.S.
COUNTY OF Anchorage)

On May 6, 1998, 1998, before me, Cheryl A Sautel, personally
appeared John Kuscaid, Chief Mechanical of ALASKA RAILROAD
CORPORATION, Officer

✓ personally known to me -OR-

— proved to me on the basis of satisfactory evidence to be the person(s)
whose name(s) is/are subscribed to the within instrument and acknowledged
to me that he/she/they executed the same in his/her/their authorized
capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted,
executed the instrument.

Witness my hand and official seal.

Cheryl A Sautel
SIGNATURE OF THE NOTARY
Exp: 7-18-01

[Notarial Seal]